

October 1, 2019
New Business
Referrals

**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY:711
(313) 224-9400
WWW.DETROITMI.GOV

September 24, 2019

27

Honorable City Council

**RE: RAHF IV Cambridge Limited Dividend Housing Association Limited Liability Company –
Payment in Lieu of Taxes (PILOT)**

Jonathan Rose Companies has formed RAHF IV Cambridge Limited Dividend Housing Association (LDHA) Limited Liability Company (LLC) in order to re-certify an existing low income housing Section 8 senior facility known as Cambridge Towers to a PILOT facility. The 12-story high rise building with a shared first floor community room is located in an area bounded by Vassar on the north, Evergreen on the east, West 7 Mile on the south and Fielding on the west.

Originally certified as Cambridge Tower Associates LDHA Limited Partnership, Cambridge Tower consists of two hundred twenty-six (226) 1 bedroom/1 bath and twenty-four (24) 2 bedroom/1 bath apartments. The exemption was extinguished in 2011 after the property gave up its tax exempt status when the mortgage encumbering the property during its PILOT term was paid in full. The property was purchased in 2017 by RAHF IV Cambridge Tower, LLC which then was converted to RAHF IV Cambridge Tower LDHA, LLC.

The existing Project-based Section 8 Housing Assistance Payments (HAP) Contract provided by the U.S. Department of Housing and Development (HUD) has been renewed. The Renewal Contract began on December 31, 2011, and runs for a period of twenty (20) years. A FHA-insured mortgage note in the principal amount of \$5,680,000 was assumed by RAHF IV Cambridge, LLC on March 21, 2017.

The income of individuals and area median income shall be determined by HUD in a manner consistent with determinations of lower-income families and area median gross income under Section 8 of the U.S. Housing Act of 1937 and Promulgated at 24 CFR 812. All two hundred fifty (250) units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended.

In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A).

Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of ten percent (10%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,

Alvin Hornn, Deputy CFO/Assessor

Attachment

JB/jb

CITY CLERK 2019 SEP 27 4:04PM



BY COUNCIL MEMBER _____

WHEREAS, pursuant to the provisions of the Michigan State Housing Development Act, Act 346 of the Public Acts of 1966, as amended, being MCL 125.1401 se seq. (the “Act”), a request for exemption from property taxes has been received on behalf of Jonathan Rose Companies (the “Sponsor”); and

WHEREAS, a housing project as defined in the Act is eligible for exemption from property taxes under Section 15a of the Act (MCL 125.1415a) if the Michigan State Housing Development Authority (“MSHDA”) provides funding for the housing project, or if the housing project is funded with a federally-aided mortgage as determined by MSHDA; and

WHEREAS, Section 15a of the Act (MCL 125.1415a) provides that the local legislative body may establish by ordinance the service charge to be paid in lieu of taxes, commonly known as a PILOT; and

WHEREAS, the City of Detroit has adopted Ordinance 9-90, as amended, being Sections 18-9-10 through 18-9-16 of the Detroit City Code to provide for the exemption from property taxes of eligible housing projects and to provide for the amount of the PILOT for said housing projects to be established by resolutions of the Detroit City Council after review and report by the Board of Assessors; and

WHEREAS, the Sponsor is proposing to convert to PILOT an existing housing project known as Cambridge Towers consisting of two hundred fifty (250) units in a building located on a parcel of property owned or to be acquired by the Sponsor as described by street address and tax parcel in Exhibit A to this resolution, with all units for low and moderate income housing (the “Project”); and

WHEREAS, the purpose of the Project is to serve low to moderate income persons as defined by Section 15a(7) of the Act, being MCL 125.1415a(7); and

WHEREAS, MSHDA has provided notice to the Sponsor that it intends to approve PILOT eligibility through the existence of federal-aided financing for the Project, provided that the Detroit City Council adopts a resolution establishing the PILOT for the Project; and

WHEREAS, pursuant to Section 15a of the Act, being MCL 125.1415a(1), the tax exemption is not effective until the Sponsors first obtain MSHDA certification that the housing project is eligible for exemption, and files an affidavit, as so certified by MSHDA, with the Board of Assessors; and

WHEREAS, pursuant to Section 18-9-13(G) of the Detroit City Code, the tax exemption shall be effective on adoption, with the tax exemption and PILOT payment to occur only upon bona fide use and physical occupancy by persons and families eligible to move into the project, in accordance with the Act, which must occur as of December 31 of the year preceding the tax year in which the exemption is to begin;



NOW, THEREFORE, BE IT

RESOLVED, that in accordance with City Code Section 18-9-13, the Project known as Cambridge Towers as described above is entitled to be exempt from taxation but subject to the provisions of a service charge of ten percent (10%) for payment in lieu of taxes as set forth in Act No. 346 of the Public Acts of 1966, as amended, being MCL 125.1401, et seq.; and be it further

RESOLVED, that arrangements to have collections of a payment in lieu of taxes from the Sponsor be established upon occupancy for future years with respect to the same be prepared by the Office of the Chief Financial Officer; and be it further

RESOLVED, that specific legal description for the Project shall be as set forth in the certification from MSHDA; and be it further

RESOLVED, that in accordance with Section 15a(3) of the Act, MCL 125.1415a(3), the exemption from taxation shall remain in effect for as long as the MSHDA-aided or Federally-aided financing is in effect, but not longer than fifty (50) years, and shall terminate upon the determination by the Board of Assessors that the Project is no longer eligible for the exemptions; and be it further

RESOLVED, that the City Clerk furnish the Office of the Chief Financial Officer – Office of the Assessor two certified copies of this resolution; and be it further

RESOLVED, that this resolution is adopted with a waiver of reconsideration.



EXHIBIT A

RAHF IV Cambridge Limited Dividend Housing Association Limited Liability Company

The following real property situated in Detroit, Wayne County, Michigan:

Part of the Southeast $\frac{1}{4}$ of Section 3, Town 1 South, Range 10 East, City of Detroit, Wayne County, Michigan, described as follows: Beginning at a point, said point being distant South 88 degrees 16 minutes 48 seconds West, 52.00 feet and North 01 degrees 34 minutes 00 seconds West, 60.00 feet from the Southeast corner of said Section 3; thence from said point of beginning; South 88 degrees 16 minutes 48 seconds West, 303.00 feet along the North line of Seven Mile Road; thence North 01 degrees 34 minutes 00 seconds West, 469.85 feet; thence North 88 degrees 19 minutes 30 seconds East, 303.00 feet to a point on the West line of Evergreen Road; thence along the West line of Evergreen Road South 01 degrees 34 minutes 00 seconds East, 469.61 feet to the point of beginning.

Tax Parcel No. Ward 22, item 016922.003L

Property Address: 19101 Evergreen



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY: 711
(313) 224-9400
WWW.DETROITMI.GOV

28

September 24, 2019

Honorable City Council

**RE: RAHF IV Plymouth Limited Dividend Housing Association Limited Liability Company –
Payment in Lieu of Taxes (PILOT)**

Jonathan Rose Companies has formed RAHF IV Plymouth Limited Dividend Housing Association ("LDHA") Limited Liability Company in order to develop the Project known as Plymouth Square Village. The Project is an existing site with a 14-story high-rise building containing two hundred two (202) senior units and seventy-eight (78) family units located in nine (9) townhome apartment buildings in an area bounded by Plymouth on the north, Vaughan on the east, Orangelawn on the south and Fielding on the west.

Originally certified as Plymouth Square Associates LDHA Limited Partnership, the Project consists of a high-rise with one hundred eighty-five (185) 1 bed/1 bath and seventeen (17) 2 bed/1 bath units. The seventy-eight (78) townhomes contain seventy (70) 2 bed/2 bath and eight (8) 3 bed/1.5 bath units. The exemption was extinguished in 2011 after the property gave up its tax exempt status when the mortgage encumbering the property during its PILOT term was paid in full. The property was purchased on April 5, 2017, by RAHF IV Plymouth, LLC, which then was converted to RAHF IV Plymouth LDHA, LLC.

The existing Project-based Section 8 Housing Assistance Payments Contract provided by the U.S. Department of Housing and Development has been renewed. The Renewal Contract began on April 1, 2014, running for a period of twenty (20) years. A FHA-insured mortgage note in the principal amount of \$6,480,000 was assumed by RAHF IV Plymouth, LLC, on March 20, 2013.

The income of individuals and area median income shall be determined by HUD in a manner consistent with determinations of lower-income families and area median gross income under Section 8 of the U.S. Housing Act of 1937 and Promulgated at 24 CFR 812. All two hundred eighty (280) units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended.

In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of ten percent (10%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,

Alvin Horhn, Deputy CFO/Assessor
Attachment
JB/jb

CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR



BY COUNCIL MEMBER _____

WHEREAS, pursuant to the provisions of the Michigan State Housing Development Act, Act 346 of the Public Acts of 1966, as amended, being MCL 125.1401 se seq. (the “Act”), a request for exemption from property taxes has been received on behalf of Jonathan Rose Companies (the “Sponsor”); and

WHEREAS, a housing project as defined in the Act is eligible for exemption from property taxes under Section 15a of the Act (MCL 125.1415a) if the Michigan State Housing Development Authority (“MSHDA”) provides funding for the housing project, or if the housing project is funded with a federally-aided mortgage as determined by MSHDA; and

WHEREAS, Section 15a of the Act (MCL 125.1415a) provides that the local legislative body may establish by ordinance the service charge to be paid in lieu of taxes, commonly known as a PILOT; and

WHEREAS, the City of Detroit has adopted Ordinance 9-90, as amended, being Sections 18-9-10 through 18-9-16 of the Detroit City Code to provide for the exemption from property taxes of eligible housing projects and to provide for the amount of the PILOT for said housing projects to be established by resolutions of the Detroit City Council after review and report by the Board of Assessors; and

WHEREAS, the Sponsor is proposing to convert to PILOT an existing housing project known as Plymouth Square Village consisting of two hundred eighty (280) units in ten (10) buildings located on a parcel of property owned or to be acquired by the Sponsor as described by street address and tax parcel in Exhibit A to this resolution, with all units for low and moderate income housing (the “Project”); and

WHEREAS, the purpose of the Project is to serve low to moderate income persons as defined by Section 15a(7) of the Act, being MCL 125.1415a(7); and

WHEREAS, MSHDA has provided notice to the Sponsor that it intends to approve PILOT eligibility through the existence of federal-aided financing for the Project, provided that the Detroit City Council adopts a resolution establishing the PILOT for the Project; and

WHEREAS, pursuant to Section 15a of the Act, being MCL 125.1415a(1), the tax exemption is not effective until the Sponsors first obtain MSHDA certification that the housing project is eligible for exemption, and files an affidavit, as so certified by MSHDA, with the Board of Assessors; and

WHEREAS, pursuant to Section 18-9-13(G) of the Detroit City Code, the tax exemption shall be effective on adoption, with the tax exemption and PILOT payment to occur only upon bona fide use and physical occupancy by persons and families eligible to move into the project, in accordance with the Act, which must occur as of December 31 of the year preceding the tax year in which the exemption is to begin;



NOW, THEREFORE, BE IT

RESOLVED, that in accordance with City Code Section 18-9-13, the Project known as Plymouth Square Village as described above is entitled to be exempt from taxation but subject to the provisions of a service charge of ten percent (10%) for payment in lieu of taxes as set forth in Act No. 346 of the Public Acts of 1966, as amended, being MCL 125.1401, et seq.; and be it further

RESOLVED, that arrangements to have collections of a payment in lieu of taxes from the Sponsor be established upon occupancy for future years with respect to the same be prepared by the Office of the Chief Financial Officer; and be it further

RESOLVED, that specific legal description for the Project shall be as set forth in the certification from MSHDA; and be it further

RESOLVED, that in accordance with Section 15a(3) of the Act, MCL 125.1415a(3), the exemption from taxation shall remain in effect for as long as the MSHDA-aided or Federally-aided financing is in effect, but not longer than fifty (50) years, and shall terminate upon the determination by the Board of Assessors that the Project is no longer eligible for the exemptions; and be it further

RESOLVED, that the City Clerk furnish the Office of the Chief Financial Officer – Office of the Assessor two certified copies of this resolution; and be it further

RESOLVED, that this resolution is adopted with a waiver of reconsideration.



EXHIBIT A

RAHF IV Plymouth Limited Dividend Housing Association Limited Liability Company

The following real property situated in Detroit, Wayne County, Michigan:

S PLYMOUTH PT OF NE 1/4 SEC 34 T1S R10E DESC AS BEG N 89D 36M 26SEC W 365.90FT ALG N LINE OF SD SEC 34 ALSO BG THE CL OF PLYMOUTH RD (120.00FT WD); TH S 00D 33M 00SEC E 188.27FT; TH S 00D 33M 00SEC E 91.76FT ALG THE W LINE OF VAUGHN RD (62.86FT WD); TH N 89D 47M 03SEC W 133.00FT ALG THE N LINE OF LOT 208 OF "HARRY SLATKIN'S ROUGE PARK SUB. NO. 2", L71 OF PLATS P62 WCR FROM THE NE COR OF SD SEC 34; TH N 89D 47M 03SEC W 17.00FT; TH S 00D 33M 00SEC E 740.07FT ALG THE BOUNDARY LINE OF SD SUB.; TH N 89D 47M 03SEC W 647.58FT ALG THE N LINE OF "HARRY SLATKIN'S ROUGE PARK SUB.", L71 OF PLATS P46 WCR; TH N 00D 40M 00SEC W 381.66FT MEAS (382.00FT RECORD) ALG THE E LINE OF SD "HARRY SLATKIN'S ROUGE PARK SUB. NO. 2"; TH N 89D 20M 00SEC E 310.00FT; TH N 00D 40M 00SEC W 122.00FT; TH N 23D 34M 24SEC E 25.00FT; TH N 00D 40M 00SEC W 34.00FT; TH N 36D 46M 41SEC E 61.11FT; TH N 89D 20M 00SEC E 9.73FT; TH N 00D 40M 00SEC W 119.30FT; TH N 89D 20M 00SEC E 41.68FT; TH N 45D 23M 34SEC E 80.05FT; TH N 00D 23M 34SEC E 170.00FT; TH S 89D 36M 26SEC E 200.00FT ALG THE S LINE OF PLYMOUTH RD (120.00FT WD); TH S 00D 15M 34SEC W 220.29FT TO POB 405552 SQ FT (9.31 ACRES)

Tax Parcel No. Ward 22, item 005427.002

Property Address: 20201 Plymouth



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY: 711
(313) 224-9400
WWW.DETROITMI.GOV

29

September 23, 2019

Honorable City Council

**RE: Cathedral Venture Limited Dividend Housing Association Limited Partnership – Payment
in Lieu of Taxes (PILOT)**

MRK Partners, Inc. has formed Cathedral Venture Limited Dividend Housing Association Limited Partnership in order to develop the Project known as Cathedral Tower Apartments. The Project is an existing two hundred thirty-six (236) family units located in an 18-story high rise apartment building in an area bounded by East Hancock on the north, John R on the east, East Forest on the south and Woodward on the west.

The in-place rehabilitation Project will include one hundred seventy-one (171) studio and sixty-five (65) 1 bedroom/1 bath apartments and a community room. Residents will not be present during asbestos control processes and will be able to return home each evening. The renovation will not result in a rent increase for three (3) years for tenants who pay more than thirty percent (30%) of income toward rent and no rent increases greater than four percent (4%) for any of the existing residents for the duration of the Regulatory Agreement.

A permanent mortgage loan in the amount of \$10,000,000 will be provided by JLL Capital Markets. A loan in the amount of \$2,150,000 will be provided by Bedrock Management Services, LLC. Cinnaire will make Capital Contributions of \$13,950,000 which includes the purchase of Low Income Housing Tax Credits. Additionally, the Sponsor has agreed to defer \$110,776 of the developer fee.

On average, rents for all units have been set at or below sixty percent (60%) of the area median income, adjusted for family size. All two hundred thirty-six (236) units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended.

In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of seven percent (7%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,

Alvin Horhn
Deputy CFO/Assessor

Attachment
JB/jb

CITY CLERK 2019 SEP 27 10:45



BY COUNCIL MEMBER _____

WHEREAS, pursuant to the provisions of the Michigan State Housing Development Act, Act 346 of the Public Acts of 1966, as amended, being MCL 125.1401 se seq. (the “Act”), a request for exemption from property taxes has been received on behalf of MRK Partners, Inc. (the “Sponsor”); and

WHEREAS, a housing project as defined in the Act is eligible for exemption from property taxes under Section 15a of the Act (MCL 125.1415a) if the Michigan State Housing Development Authority (“MSHDA”) provides funding for the housing project, or if the housing project is funded with a federally-aided mortgage as determined by MSHDA; and

WHEREAS, Section 15a of the Act (MCL 125.1415a) provides that the local legislative body may establish by ordinance the service charge to be paid in lieu of taxes, commonly known as a PILOT; and

WHEREAS, the City of Detroit has adopted Ordinance 9-90, as amended, being Sections 18-9-10 through 18-9-16 of the Detroit City Code to provide for the exemption from property taxes of eligible housing projects and to provide for the amount of the PILOT for said housing projects to be established by resolutions of the Detroit City Council after review and report by the Board of Assessors; and

WHEREAS, the Sponsor is proposing to undertake the rehabilitation of an existing housing project known as Cathedral Tower Apartments consisting of the rehabilitation of two hundred thirty-six (236) units in a building located on a parcel of property owned or to be acquired by the Sponsor as described by street address and tax parcel in Exhibit A to this resolution, with two hundred thirty-six (236) units for low and moderate income housing (the “Project”); and

WHEREAS, the purpose of the Project is to serve low to moderate income persons as defined by Section 15a(7) of the Act, being MCL 125.1415a(7); and

WHEREAS, MSHDA has provided notice to the Sponsor that it intends to approve federal-aided financing for the Project, provided that the Detroit City Council adopts a resolution establishing the PILOT for the Project; and

WHEREAS, pursuant to Section 15a of the Act, being MCL 125.1415a(1), the tax exemption is not effective until the Sponsors first obtain MSHDA certification that the housing project is eligible for exemption, and files an affidavit, as so certified by MSHDA, with the Board of Assessors; and

WHEREAS, pursuant to Section 18-9-13(G) of the Detroit City Code, the tax exemption shall be effective on adoption, with the tax exemption and PILOT payment to occur only upon bona fide use and physical occupancy by persons and families eligible to move into the project, in accordance with the Act, which must occur as of December 31 of the year preceding the tax year in which the exemption is to begin;



NOW, THEREFORE, BE IT

RESOLVED, that in accordance with City Code Section 18-9-13, the Project known as Cathedral Tower Apartments as described above is entitled to be exempt from taxation but subject to the provisions of a service charge of seven percent (7%) for payment in lieu of taxes as set forth in Act No. 346 of the Public Acts of 1966, as amended, being MCL 125.1401, et seq.; and be it further

RESOLVED, that arrangements to have collections of a payment in lieu of taxes from the Sponsor be established upon occupancy for future years with respect to the same be prepared by the Office of the Chief Financial Officer; and be it further

RESOLVED, that specific legal description for the Project shall be as set forth in the certification from MSHDA; and be it further

RESOLVED, that in accordance with Section 15a(3) of the Act, MCL 125.1415a(3), the exemption from taxation shall remain in effect for as long as the MSHDA-aided or Federally-aided financing is in effect, but not longer than fifty (50) years, and shall terminate upon the determination by the Board of Assessors that the Project is no longer eligible for the exemptions; and be it further

RESOLVED, that the City Clerk furnish the Office of the Chief Financial Officer – Office of the Assessor two certified copies of this resolution; and be it further

RESOLVED, that this resolution is adopted with a waiver of reconsideration.



EXHIBIT A

Cathedral Venture Limited Dividend Housing Association Limited Partnership

The following real property situated in Detroit, Wayne County, Michigan:

Lots 3, 4, 5, 6 and 7, also East 10ft vac alley adj, Parsons Subdivision of the South ½ of Park Lot 36, as recorded in Liber 15, Page 14 of Plats, Wayne County Records.

Tax Parcel No. Ward 01, item 001257-8

Property Address: 80 East Hancock

City of Detroit
OFFICE OF THE CITY CLERK

30

Janice M. Winfrey
City Clerk

Andre P. Gilbert II
Deputy City Clerk

September 26, 2019

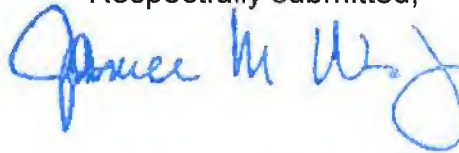
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
SHERIDAN PROPCO**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of one (1) application for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE LEGISLATIVE POLICY DIVISION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

Zone
SHERIDAN PROPCO

Address
4417 Second Ave.

App. No.
06-86-00

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cc-cpc@detroitmi.gov

Brenda Goss-Andrews
Lisa Whitmore Davis
Damion Ellis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

September 25, 2019

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 91-unit multi-family residential mixed-use development located at 4417 Second Avenue in the Sheridan Propco Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of a 91-unit multi-family residential mixed-use development located at 4417 Second Avenue. This application corresponds to a qualified facility which will be newly renovated. The project consists of limestone repair, façade/lentil work, new windows, flooring, kitchen and bathroom renovation, lobby renovations inclusive of millwork, elevator work, security/intercom system, lighting and doors. CPC staff has reviewed the applications and recommends approval.

The subject property has been confirmed as being within the boundaries of the Sheridan Propco NEZ which was established by a vote of Council on September 10, 2019, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The anticipated cost of rehabilitation for 4417 Second Avenue is \$1,753,600.00, at a cost of \$19,270.00 per unit. The applicant is seeking a 15 year tax abatement. The NEZ certificate application appears to have been submitted after the issuance of applicable building permits. However, given the historic nature of the property the issuance of the requested certificate is permissible per Sec. 4(2)(g) of P.A. 147 of 1992 which states:

- (2) An application may be filed after a building permit is issued only if 1 or more of the following apply:*
(g) For a rehabilitated facility if all or a portion of the rehabilitated facility is a qualified historic building.

Please contact our office should you have any questions.

Respectfully submitted,

Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

31

Janice M. Winfrey
City Clerk

Andre P. Gilbert II
Deputy City Clerk

September 26, 2019

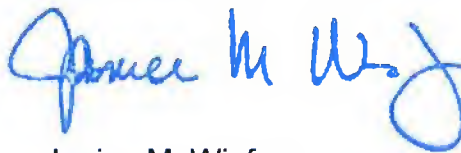
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
WELLESLEY PROPCO**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of one (1) application for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE LEGISLATIVE POLICY DIVISION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

Zone
WELLESLEY PROPCO

Address
651 Hancock

App. No.
06-85-99

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cc-cpc@detroitmi.gov

Brenda Goss-Andrews
Lisa Whitmore Davis
Damion Ellis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

September 25, 2019

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 28-unit multi-family residential development located at 651 Hancock Avenue in the Wellesley Propco Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

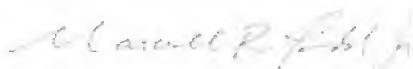
The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of a 28-unit multi-family residential development located at 651 Hancock Avenue. This application corresponds to a qualified facility which will be newly renovated. The project consists of exterior front step replacement, refinishing of floors, painting, kitchen and bathroom renovation, lighting, security, lighting and tile work. CPC staff has reviewed the applications and recommends approval.

The subject property has been confirmed as being within the boundaries of the Wellesley Propco NEZ which was established by a vote of Council on September 10, 2019, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The anticipated cost of rehabilitation for 651 Hancock Avenue is \$622,500.00, at a cost of \$22,218.00 per unit. The applicant is seeking a 15 year tax abatement. The NEZ certificate application appears to have been submitted after the issuance of applicable building permits. However, given the historic nature of the property the issuance of the requested certificate is permissible per Sec. 4(2)(g) of P.A. 147 of 1992 which states:

*(2) An application may be filed after a building permit is issued only if 1 or more of the following apply:
(g) For a rehabilitated facility if all or a portion of the rehabilitated facility is a qualified historic building.*

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

32

Janice M. Winfrey
City Clerk

Andre P. Gilbert II
Deputy City Clerk

September 26, 2019

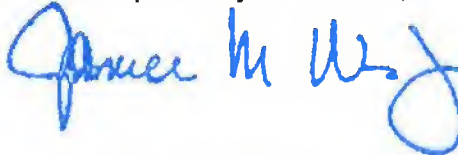
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
NORTH CORKTOWN**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of one (1) application for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE LEGISLATIVE POLICY DIVISION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

Zone
NORTH CORKTOWN

Address
1548 Ash Street

App. No.
06-85-98

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cc-cpc@detroitmi.gov

Brenda Goss-Andrews
Lisa Whitmore Davis
Damion Ellis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

September 25, 2019

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for construction of a new two-family flat located at 1548 Ash Avenue in the North Corktown Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the construction of a new two-family flat located at 1548 Ash Avenue. This application correspond to a qualified site which will accommodate a newly constructed two-family flat. The project consists of new construction and associated costs inclusive of a survey, site preparation, architectural and engineering design, and permits. CPC staff has reviewed the applications and recommends approval.

The subject property has been confirmed as being within the boundaries of the North Corktown NEZ which was established by a vote of Council on August 28, 2019, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The anticipated cost of new construction for 1548 Ash Avenue is \$785,690. The applicant is seeking a 15 year tax abatement. The NEZ certificate application appears to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD


cc: Janice Winfrey, City Clerk

MEMORANDUM

TO: David Massaron, Chief Financial Officer
City of Detroit

Arthur Jemison, Group Executive
Planning, Housing and Development

CC: Honorable Colleagues
Louise Jones, Senior City Clerk
Stephanie Washington, Legislative Liaison

FROM: Council President Brenda Jones 

DATE: October 1, 2019

RE: Additional Questions and Concerns in Response to "Responses to September 17 Memos on Blight Removal Bond."

Please see the additional questions and concerns in response to your September 27, 2019 memo entitled "Responses to September 17 Memos on Blight Removal Bond."

During the Fiat/Chrysler deal discussions, I stressed the importance of proactive workforce development rather than reactive. We cannot continue to allow contractors to say that there are not enough qualified Detroiters for hire. Although the U.S. Census Bureau reports a decrease in unemployment within the City of Detroit, there are still over 200,000 unemployed Detroiters in desperate need of work. The blight elimination strategy provides another unique opportunity for the City of Detroit to provide employment opportunities for Detroit residents. Although there are reports supporting the impact of blight elimination on public safety, the true solution to the elimination of crime is fighting hard to ensure that residents have access to quality, good paying jobs. As elected officials, it is our responsibility to ensure that decisions such as this bond issue not only benefit the City of Detroit as a whole financially, but also increase economic stability within our neighborhoods in totality. It is crucial that the \$420M blight elimination strategy is utilized as a reinvestment into our community through the hiring of Detroiters.

Furthermore, unless provided in a follow up memo, there have been no guarantees provided that contractors benefiting from the \$420M in blight elimination strategy contracts will be required to hire Detroiters nor have there been any guarantees provided that Detroiters are trained and

City of Detroit
CITY COUNCIL
COUNCIL PRESIDENT BRENDA JONES

ready to be hired by demolition contractors. There also is no current hiring outreach plan by the Detroit Employment Solutions Corporation.

1. When does the administration plan to meet individually with contractor companies individually to understand their staffing needs and timelines, and construct individual or shared recruitment (as appropriate), training and placement strategies to meet the needs of the Demo provider community?
2. With the \$420M investment in blight, what is the DESC's plan for marketing and outreach of contract opportunities to Detroiters?
 - a. Please provide timelines.
3. How many jobs are expected to be created annually as a result of the blight elimination strategy?
4. How many Detroiters today are currently trained and prepared to be hired by demolition contractors?
5. With the influx of new skilled trades jobs that will be created as a result of the blight elimination strategy and the massive database of ready to work Detroiters created as a result of the FCA employment initiative, what is the administration's plan to ensure that mass database of ready to work Detroiters are trained, prepared, qualified and hired by demolition contractors?
6. What guarantees are in place to ensure that if 100% qualified Detroiters apply for positions on Detroit demolition contracts, 100% of qualified Detroiters are hired?

Based upon the dollar amount spent bi-annually, the proposed procurement process does allow the legislative body to review and receive reports on the process every six-months, however there are no guarantees in place that the proposed procurement process will be utilized. In fact, the Office of Contracting and Procurement is only planning to pilot this program in the winter which further provides no guarantee prior to the ballot initiative vote and possible approval that adequate oversight will be achieved.

Please provide additional details on the pilot procurement program for demolition including, but not limited to, the following:

1. Projected number of demolition contracts per each two (2) year demolition submission cycle.
2. Projected number of properties included in each contract.
3. Length of time for each contractor to complete the demolition of their assigned package of properties.
4. Goals and metrics used to measure the success of demolition contractors.
5. Contractor reporting requirements to the Office of Contracting and Procurement.
6. Interdepartmental collaboration strategy between the Detroit Building Authority and the Office of Contracting and Procurement for the demolition of properties annually.

City of Detroit
CITY COUNCIL
COUNCIL PRESIDENT BRENDA JONES

7. The number of demolition field liaisons employed by the Detroit Building Authority.
8. The number of properties assigned to each demolition field liaison weekly.
9. The length of time spent at each demolition site by each demolition field liaison.
10. Proof of the demolition field liaisons' ability to efficiently monitor each of their assigned properties.
11. How many contractors have received equalization credits that have resulted in successfully winning demolition contract bids?
12. What is the total dollar amount of those contracts?

Additional Concerns:

1. It has been stated that bond funds are ineligible to be utilized for foreclosure prevention. Please provide a report detailing any federal or state law provisions that prohibit the use of the bond funds for foreclosure prevention.
2. Please submit a 5-year foreclosure prevention and assistance plan complete with a detailed budget and source of funds for the assistance.
3. Please submit a community engagement strategy to ensure residents are informed of the impacts of mass demolition in their neighborhoods and have an input on the use of vacant land following the completion of the demolition strategy.

I am requesting that the administration submit a blight elimination strategy agreement including the following:

1. Bi-annual demolition contract approval with the following set asides for years one through three of the blight elimination strategy:
 - a. 30% of the contracts set aside for businesses that have 51% Detroit-based residents only
 - b. 30% of the contracts set aside for Detroit-based/headquartered businesses only
 - c. 40% of the contracts set aside for joint-venture contracts with Detroit-based small business only
2. Bi-annual demolition contract approval with the following set asides after year three:
 - a. 70% of the contracts set aside for businesses that have 51% Detroit-based residents only
 - b. 30% of the contracts set aside for Detroit-based/headquartered businesses only
3. 3-month reporting requirement on demolition operations including, but not limited to, the following:
 - a. Number of homes demolished
 - b. Proof of Detroit Building Authority demolition field liaisons' visits to each property
4. Demolition employment and outreach plan to ensure that the maximum amount of Detroiters are trained for demolition employment and informed of hiring opportunities.

City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

5. Requirement that the Office of Contracting and Procurement host an employment fair quarterly in collaboration with the Detroit Employment Solutions Corporation for contractors that fall below the 51% Detroit-based employees threshold
6. Mandatory attendance at employment fair for contractors that fall below the 51% Detroit-based employees threshold
7. Mandatory hiring reporting bi-annually for all contractors fall below the 51% Detroit-based employees threshold including, but not limited to, the following:
 - a. Number of employees
 - b. Number of Detroit-resident employees
 - c. Number of applicants
 - d. Number of Detroit-resident applicants
 - e. Number of hires
 - f. Number of Detroit-resident hires

Louise Jones

From: Jasmine Barnes
Sent: Monday, September 30, 2019 8:16 AM
To: Louise Jones; Deonte Agee
Subject: Bond Memo Follow Up Responses 10.1.19.pdf
Attachments: Bond Memo Follow Up Responses 10.1.19.pdf

Greetings!

Please see the attached memo. This is the CORRECTED version.

Warm Wishes,

Jasmine D. Barnes

Jasmine D. Barnes
Senior Policy Manager/Community Relations Liaison
Office of Detroit City Council President Brenda Jones
313.224.8034

